

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Gaylord, Michigan
September 14, 2016

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission, created by said act, met in Gaylord, Michigan, in conjunction with the Michigan Association of Airport Executives (MAAE) Fall Conference, on Wednesday, September 14, 2016.

Members Present

Rick Fiddler, Chairman
Russ Kavalhuna, Vice Chairman
Roger Salo, Commissioner
J. David VanderVeen, Commissioner
Pete Kamarainen, Commissioner
Laura Mester, Designee – MDOT
Capt. Joe Gasper, Designee – MSP
BG Len Isabelle, Designee – MDMVA
Kevin Jacobs, Designee – MDNR
Jim Shell, Legal Counsel
Mike Trout, Director

Members Absent

Staff Present

Carol Aldrich
Kelly Badra
Dave Baker
Judy Baker
Bryan Budds
Jennifer Forbes
Elyse Lower
Mark Noel
Brigitte Pricco
Jim Reverman
Mary Kay Trierweiler
Hilary Vanderstow

Also Present

Kelley Atkins, Pellston Regional Airport of Emmet Co.
David Barresi, Gaylord
Matt Barresi, Gaylord Regional Airport
Tami Beseau, Chippewa County International Airport
Eric Anton Bjorkman, Kalamazoo/Battle Creek Int'l. Airport
John Burt, Gaylord Regional Airport
Mike Deerfield, Gaylord Regional Airport
Ron Engel, Mead & Hunt, Inc.
Ken Gill, Luce County Airport
Christine Hartges, Howard Nixon Memorial Airport
Eric Jaroch, Roscommon Co.-Blodgett Memorial Airport
Mark Johnson, Livingston Co.-Spencer J. Hardy Airport
Kevin Klein, Cherry Capital Airport
Bob Leisenring, Mead & Hunt, Inc.
Paul Liss, Gaylord Regional Airport
Kent Maurer, Jackson County-Reynolds Field
John Mayfield, Federal Aviation Administration
Keith Newell, Grosse Pointe
Daniel Otto
Nick Patterson, RS&H, Inc.



Zachary Puchacz, Mead & Hunt, Inc.
Karl Randall, Oakland County International Airport
David Reid, Kalamazoo/Battle Creek Int'l. Airport
Shari Rivest, Gaylord Regional Airport
Mark Roth, Sidock Group, Inc.
Theresa Samosiuk, Wayne County Airport Authority
Chris Sieklucki, MBS International Airport
Kelly Smith, Delta County Airport
John Strehl, Antrim County Airport
Frank Thorman, Dupont-Lapeer Airport
Jon Vrabel, Capital Region Airport Authority
Craig Williams, Bishop International Airport
Scott Woody, Charlevoix

I. OPENING REMARKS

The September 14, 2016 Michigan Aeronautics Commission (Commission) Meeting was called to order by Chairman Rick Fiddler at 10:30 a.m.

Chairman Fiddler welcomed all those present. He asked everyone to rise, and the Pledge of Allegiance was cited. Immediately following, Director Mike Trout asked for a moment of silence to recognize the passing of State Representative Peter Pettalia.

Roll call was taken. All commissioners were present.

II. COMMISSION BUSINESS

- A. Chairman Fiddler asked if there were any revisions to the minutes of the meeting held on July 27, 2016. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Vice Chairman Russ Kavalhuna and supported by Commissioner Roger Salo to approve the minutes as written. **All voted in favor.**

B. Request for Approval and Transfer of Appropriated Funds

Chairman Fiddler asked Dave Baker to present the following airport contracts and grants. Mr. Baker proceeded to explain each contract.

1. W. K. Kellogg Airport, Battle Creek
2. W. K. Kellogg Airport, Battle Creek
3. Iosco County Airport, East Tawas
4. Delta County Airport, Escanaba
5. Greenville Municipal Airport, Greenville
6. West Michigan Regional Airport, Holland
7. Roscommon Co. Blodgett Memorial, Houghton Lake



8. Ionia County Airport, Ionia
 9. Capital Region International, Lansing
 10. Manistee County – Blacker, Manistee
 11. Jerry Tyler Memorial Airport, Niles
 12. Oakland County International Airport, Pontiac
 13. South Haven Area Regional, South Haven
 14. Three Rivers Municipal, Dr. Haines
 15. Cherry Capital Airport, Traverse City
 16. Cherry Capital Airport, Traverse City
 17. Cherry Capital Airport, Traverse City
- Supplemental Transfer Requiring Action**
18. Delta County Airport, Escanaba

Chairman Fiddler asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve item Nos. 1 – 18. The motion was moved by Vice Chairman Kavalhuna and supported by Commissioner Salo to approve the airport sponsor contracts. **All voted in favor.**

Due to a potential conflict of interest, Commissioner Dave VanderVeen abstained from voting on item No. 12, Oakland County International Airport, Pontiac.

A complete list of the contract descriptions can be viewed in full on the Michigan Aeronautics Commission web page under “Contract Approvals” at www.michigan.gov/aero.

Mr. Baker presented two supplemental transfers and explained the process: Lakeview – Griffith Field, Lakeview and Charlevoix Municipal Airport, Charlevoix. **No Commission action is required.**

Chairman Fiddler thanked Mr. Baker for his report.

III. REPORTS

- A. Chairman Fiddler sked Commissioner Pete Kamarainen to give his report on the General Aviation (GA) Advisory Committee.

Commissioner Kamarainen reported that the GA Advisory Committee met on August 17, 2016, at the Office of Aeronautics (Aero) in Lansing.

Plans are underway to implement a passport program and adopt-an-airport program. The passport was drafted, along with graphics for the adopt-an-airport sign. A set of rules and sponsors are needed to make these programs a success.

The committee discussed the previously published Michigan Aviation Newsletter issued by Aero. The committee deems the newsletter to be valuable in promoting aviation

across the state and suggested revitalizing the circular, partnering with existing state aviation associations for future editions.

Commissioner Kamarainen reported that North Fox Island has been busy with over 100 arrivals on the island since May.

Two Hearted River, a previously closed airport in Michigan's eastern Upper Peninsula, is planning to reopen and expand its runway.

Chairman Fiddler thanked Commissioner Kamarainen for his report.

- B. Chairman Fiddler asked Vice Chairman Kavalhuna to give his report on the Commercial Air Service (CAS) Advisory Committee.

Vice Chairman Kavalhuna reported that the CAS Advisory Committee met on August 23, 2016, at Aero offices in Lansing. The committee discussed the following:

Michigan Air Service Program

Guidelines for the Michigan Air Service Program are being updated for future air service grants. The eligibility criteria is limited only to Part 139 airports, with a tiered matching system in an effort to maximize grant effectiveness. The proposed air service guidelines will be posted for public comment. Vice Chairman Kavalhuna will ask for Commission action in November.

Aero Fund Cash Balance

The Commission was briefed of the cash balance concern regarding the State Aeronautics Fund (SAF). The problem is a result of the Federal Aviation Administration (FAA) regulation that only allows reimbursing grants up to 90 percent until final closeout of projects. Michigan pays 100 percent at billing. The time between paying contracts and when FAA recognizes full completion of a project can be several years. (This applies only to primary airport grants.) As of September 9, 2016, the SAF was \$5.3 million in the red. Aero is currently paying interest to support the program.

Aero is working with Michigan Department of Transportation's (MDOT) Bureau of Finance and Administration to evaluate potential solutions. One recommendation would be to require the airport to deposit the 10 percent local share at the start of the project. The airport would then be reimbursed when the final closeout payment is received from FAA.

Vice Chairman Kavalhuna stated that he would like to hear feedback from the airports and further discussion will take place during the air service roundtable scheduled that afternoon, part of MAAE's Fall Conference program.

Chairman Fiddler thanked Vice Chairman Kavalhuna for his report.

- C. Chairman Fiddler asked Commissioner Salo to give his report on the Safety Advisory Committee.

Commissioner Salo stated that the first Safety Advisory Committee meeting was held on August 24, 2016, at Aero offices in Lansing to review and provide recommendations in implementing guidance documents for hospital heliports and helistops. The committee also began discussions on the drafting of a request for proposal (RFP) to solicit bids for third party management and sale of MDOT's aircraft, pursuant to boilerplate provisions in the Fiscal Year 2017 Budget Bill.

Hospital Heliport and Helistop Licensing Guidelines

The committee received a briefing on the current difficulty for MDOT airport inspectors to appropriately apply hospital heliport and helistop licensing criteria, particularly language dealing with "suitable" approaches. After discussion, the committee requested additional industry representatives be invited to provide guidance in setting an appropriate approach standard. A second committee meeting is scheduled in October.

Third Party Management of MDOT's Aircraft

The committee discussed the existing boilerplate language (Section 803 of Act 268 of 2016) directing MDOT to solicit bids for a third party manager of MDOT's aircraft. Several third party management details and operational requirements were discussed. The committee requested that Aero staff provide a draft of the RFP when completed.

Chairman Fiddler thanked Commissioner Salo for his report.

- D. Chairman Fiddler asked Director Trout to give his report.

Director Trout welcomed everyone and recognized the MAAE Board and Executive Director Shawn Jezak for their hard work in planning the conference and thanked them for hosting the Commission meeting. He commended Aero staff, particularly Brigitte Pricco and Erika Hanses, for their assistance with the conference, as well.

Updates

Director Trout provided updates on the following:

- National Association of State Aviation Officials Annual Conference
 - UAS applications and briefing on test sites.
 - NextGen, the next generation of controlling air traffic. Deadlines in 2020, where aircrafts are required to be equipped. FAA is making available a \$500 rebate to general aviation.
 - Metroplexes are two large hub airports within a certain proximity with each other, Cleveland-Detroit Metroplex is one. FAA is currently doing outreach in education with elected officials, local governments and others around Detroit to talk about issues, such as noise.



- Michigan Aviation System Plan (MASP)
 - MASP is well underway with partner Mead & Hunt, Inc.
 - Make recommendations based on data findings in November
 - Provide updated MASP documents in December
 - Conduct public meeting in January
 - Provide final MASP documents in February
- Air Cargo Operations Advisory Circular (AC)
 - A new air cargo operations FAA AC (120-85A) was issued. Previously, the FAA was not specific in the method of cargo being loaded or secured in aircraft. The new AC defines the process. Domestic carriers believe they now have unfair competition, because foreign carriers do not have to play by the same rules in terms of safety.
- Proposed Fiscal Year 2017 MDOT/MAAE Contract
 - Includes matching funds on workshops, grants, scholarships, Airport Internship Assistant Program, and Fly Michigan Passport Program.
 - Commission will be asked to approve contract in November.

Statistics

Director Trout reported on the following statistics:

- Fuel Tax Revenue – FY to Date (Oct. – July)
 - 2015 = \$5,945,723
 - 2016 = \$4,280,030 (8.4% decrease from five-year average)
- Tall Structure Permits
 - 2015 = 2,568 (460 wind turbines) Total
 - 2016 = 3,166 (386 wind turbines) Year to Date
- State Aircraft Flight Hours – FY to Date (Oct. – Aug.)
 - 2015 = 1,016.1
 - 2016 = 843.8 (16.9% decrease)
- Registered Aircraft Renewals
 - 2015 = 5,830 Total
 - 2016 = 5,701 Year to Date
- Aero Fund Cash Balance
 - As of 9/9/16 = (\$5,384,000)

Staff Updates

Director Trout provided the following updates:

- Jeremy Riley, New Project Manager, Planning & Development Section
- Ken Bowers, New Office Assistant, Programming Section



Congratulations

Director Trout recognized and congratulated the following folks:

- Laura Wise, Project Manager, Planning & Development Section – 15 Years of Service
- Jennifer Forbes, Payment Specialist, Programming Section – 20 Years of Service
- Steve Houtteman, Env. Specialist, Planning & Development Section – 20 Years of Service
- Commissioner Kevin Jacobs – New Department of Natural Resources Aviation Manager

Year in Review

Director Trout highlighted some of the accomplishments under the leadership of Chairman Fiddler:

- Aviation funding legislation signed by the Governor
- FAA's final policy on aviation revenue use
- MET legislation signed by the Governor
- FAA's reauthorization extension (no user fees/air traffic control privatization)
- Off-site Commission meeting at Selfridge Air National Guard Base
- Other accomplishments:
 - Committees at work (Policy Plan for Michigan Air Service, Air Service Program, Heliport/Helistop Guidelines, Fly Michigan Passport Program)
 - Partnership with MBAA (Legislative Day and Caucus Day), MAAE Conferences, Business Aviation Expo

Coming Soon

- AOPA Fly-In – Sept. 16-17, W. K. Kellogg Airport, Battle Creek
- Airport Management 101 – Sept. 21, Mt. Pleasant City Hall
- Business Aviation Expo – Sept. 22, Oakland County Int'l. Airport, Pontiac
- MAC Meeting – Nov. 9, Office of Aeronautics, Lansing
- Michigan Airport Conference – Feb. 22-23, East Lansing

Chairman Fiddler thanked Director Trout for his report.

Director Trout's report can be viewed in full on the Michigan Aeronautics Commission web page under "Director's Updates" at www.michigan.gov/aero.

IV. MAC AWARDS OF EXCELLENCE

Chairman Fiddler provided the background of the awards. This year, there was one organization award and one individual award presented. The organization award went to "Wings Over Northern Michigan" Gaylord Airshow Committee and the individual award went to Matt Barresi, Director of the Gaylord Regional Airport.

“Wings Over Northern Michigan” Gaylord Airshow Committee

Director Trout presented the organization award to the airshow committee (Matt Barresi, Gaylord Airport Director – Airshow Organizer; Shari Rivest, Gaylord Airport and Airshow Customer Service; John Burt, Otsego County Administrator; Paul Liss, Transportation Committee Chairman; Mike Deerfield, Airport Advisory Committee President). The following inscription was read:

This award is presented in recognition of the tremendous organizational effort in hosting this outstanding event promoting aviation to new generations, bringing attention to aviation businesses across Michigan, and demonstrating that a broad cross section of volunteers can bring exciting family entertainment and significant economic impact to their community through the demonstration of flight.

Director Trout stated that on behalf of the Commission, he is pleased and honored to present the award to the “Wings Over Northern Michigan” Gaylord Airshow Committee. Mr. Barresi said a few words expressing his gratitude on behalf of the airshow committee and thanked the Commission for the honor.

Matt Barresi

Director Trout presented the individual award to Mr. Barresi. The following inscription was read:

This award is presented in recognition of your outstanding contributions to the Gaylord community by promoting aviation activities that foster goodwill and showcase the value of Gaylord Regional Airport. Your commitment to community involvement and dedication serving as an active member of numerous organizations and coordinating the annual “Wings Over Northern Michigan” airshow exemplifies the professionalism and character worthy of this award. These actions have had a positive impact on the region and help ensure the health of aviation throughout the state of Michigan.

On behalf of the Commission, Director Trout congratulated Mr. Barresi for his outstanding work. Mr. Barresi expressed his appreciation and thanked the Commission for the honor.

V. SPECIAL RECOGNITION/TRIBUTE

Chairman Fiddler asked Colonel Jack Lousma to come up to the podium and presented him with a lifetime achievement award on behalf of the Michigan Business Aviation Association (MBAA). Director Trout also presented Colonel Lousma with a special tribute signed by Governor Snyder. Colonel Lousma said a few words expressing his deep appreciation and thanked the MBAA and the Commission for the honors.

VI. ELECTIONS

Chairman Fiddler announced that his term as chairman has come to an end. He thanked Vice Chairman Kavalhuna, Committee Chairmen Kamarainen and Salo, fellow commissioners, and the staff of the Office of Aeronautics for their support throughout the year. Chairman Fiddler spoke of the nominating procedure. He stated that in accordance with the Michigan Aeronautics Commission Bylaws, he along with Commissioner Salo nominated the offices of chairman and vice chairman of the Michigan Aeronautics Commission for a one-year term beginning immediately upon election.

For the Office of Chairman: Russ Kavalhuna

For the Office of Vice Chairman: Dave VanderVeen

Chairman Fiddler asked if there were any comments or questions. Hearing none, he entertained a motion and support to approve the nominations as presented. The motion was moved by Commissioner Len Isabelle and supported by Commissioner Salo to appoint Russ Kavalhuna as chairman; and Dave VanderVeen as vice chairman. **All voted in favor with Vice Chairman Kavalhuna and Commissioner VanderVeen abstaining.**

VII. PASSING OF THE GAVEL

Chairman Fiddler handed over the gavel announcing and congratulating Russ Kavalhuna, the new Michigan Aeronautics Commission Chairman.

Director Trout commended Chairman Fiddler for his dedication to the Michigan Aeronautics Commission. He was presented with an honorary plaque and gavel congratulating him on a successful year. Chairman Fiddler thanked Director Trout, the Commission, and everyone for a great year.

VIII. COMMITTEE ASSIGNMENTS

The new Chairman Kavalhuna thanked Commissioner Fiddler and commended him for his service and leadership during the past year. He stated that he is honored to be elected as the Commission chairman and to continue in the past chair's footsteps. He looks forward to working with everyone in the very near future.

In accordance with the Bylaws, Article VII, Special Committees, Chairman Kavalhuna announced the reestablishment of the following committees and appointments of the respective chairmen:

- General Aviation Advisory Committee
 - Appointment of Committee Chairman: Pete Kamarainen
- Commercial Air Service Advisory Committee
 - Appointment of Committee Chairman: Dave VanderVeen



- Safety Advisory Committee
 - Appointment of Committee Chairman: Roger Salo
 - Appointment of Committee Vice Chairman: Rick Fiddler

Chairman Kavalhuna thanked Mr. Barresi for hosting the Commission meeting in Gaylord and commended him for all he does promoting Michigan aviation.

IX. PUBLIC COMMENTS

Chairman Kavalhuna asked if anyone would like to make a public comment.

There were no public comments.

X. COMMISSIONER COMMENTS

Chairman Kavalhuna asked if any of the commissioners would like to make a comment.

Commissioner Jacobs referred to the GA Advisory Committee Update in the Commission meeting book regarding verbiage about the Michigan Department of Natural Resources allowing the use of lawn mowers on the paths of North Fox Island and use of the cabin for emergencies. He stated that the lease agreement does not quite read as such. Commissioner Jacobs will follow up with Commissioner Kamarainen on this concern.

There were no other comments.

CLOSING

The next Michigan Aeronautics Commission meeting is scheduled for Wednesday, November 9, 2016, 10:00 a.m., in the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan.

The meeting was adjourned at 11:45 a.m.


Rick Fiddler, Chairman


Michael G. Trout, Director

Dated: 11/9/16